

**COST OF GOVERNMENT COMMISSION
MINUTES
“Hybrid-Remote” Via BlueJeans Videoconference
and
In-Person, Mayor’s Conference Room, 9th Floor, Kalana O Maui Building
November 10, 2022**

PRESENT: Michael Williams, Chair
Daniel O'Brien, Vice Chair
Evan Dust, Member
Paula Heiskell, Member
Lu Ann Lankford-Faborito, Member
Spencer Lau, Member

EXCUSED: Sarah Simmons, Member

ABSENT: Poerava Tehiva, Member

STAFF: Richelle Thompson, First Deputy Corporation Counsel
Caleb Rowe, Deputy Corporation Counsel
Shelley Pellegrino, Technical Writer for the Commission
Lance Taguchi, County Auditor
Robin Arita-Chang, Office of the County Auditor

I. CALL MEETING TO ORDER

Chair Williams called the meeting to order at 10:00 a.m.

II. ROLL CALL

Chair Williams took roll. Commissioners Dust, Heiskell, Lankford-Faborito, Lau, Vice-Chair O'Brien, and Chair Williams were present. Commissioner Tehiva was absent, and Commissioner Simmons was excused. There is one vacancy. All commissioners appeared remotely via BlueJeans.

III. PUBLIC TESTIMONY

There was no public testimony.

IV. REVIEW CORRESPONDENCE RECEIVED

There was no correspondence received.

V. COUNTY AUDITOR’S UPDATE

The County Auditor did not have an update to provide.

VI. DISCUSS COST OF GOVERNMENT COMMISSION FISCAL YEAR 2024 PROPOSED BUDGET

Chair Williams explained that the County Auditor submits the Commission's proposed budget as part of the County Auditor's proposed budget.

County Auditor Taguchi stated that the deadline to submit budget requests to the Budget Office is the end of November. The Commission's current Fiscal Year 2023 budget is \$50,000. In Fiscal Year 2022, the Commission expended approximately \$43,500, with \$6,500 remaining; the funds could have been used for supplies, travel, and per diem.

Chair Williams recommended that the Fiscal Year 2024 Commission budget remain unchanged at \$50,000. Commissioner Dust recommended an increase to \$55,000 to account for inflation and the possibility of increased costs for Commission personnel. Vice-Chair O'Brien agreed and asked the Technical Writer Pellegrino what her plans were for the following year. Ms. Pellegrino responded that her contract ends at the end of July 2023, and that she plans to reapply for the position.

Vice-Chair O'Brien moved to increase the Commission's proposed budget by 10% to \$55,000 for Fiscal Year 2024. Commissioner Dust seconded the motion. There was no discussion. The motion was approved unanimously (6-0), with one excused, one absent, and one vacancy.

VII. INVESTIGATION (NON-TIG) UPDATES

Chair Williams asked First Deputy Corporation Counsel Richelle Thompson to discuss her concerns about the Commission's "Non-TIG" investigations. Ms. Thompson explained that the Sunshine Law is clear that a Temporary Investigative Group (TIG) is two or more commissioners, but less than a quorum. In other words, an investigation undertaken by two (2) to four (4) commissioners should be considered a TIG. Ms. Thompson recommended that the Commission reestablish the TIGs, so the investigations with two or more commissioners can establish their scope and parameters.

Chair Williams then discussed each investigation in light of the recommendation provided by Ms. Thompson.

A. County Real Property Tax Policies (Chair Williams)

With respect to the County Real Property Tax Policies investigation, which Chair Williams worked on alone, he explained that the report had been issued the previous month. He asked commissioners whether they would be willing to allow him to add an additional topic to the report — specifically, how agricultural parcels are valued. He explained that if an owner can demonstrate that the parcel is being used for agriculture, the County reduces the property's tax valuation. Chair Williams stated that he is interested in learning how the County is enforcing the agricultural use valuation.

Commissioner Dust asked Corp Counsel the extent to which the County is opening itself up to challenges of taxation without representation if it continues to increase the tax rate on non-owner-occupied parcels where the registered owner is not a resident of Hawai'i. Ms. Thompson responded that the Commission should go into executive session to discuss the question because it could involve the potential County liability. She asked

that her office be given some time to look into the issue and that the Commission consider going into executive session at its next meeting.

Commissioner Dust recommended that the issue be placed on the next Commission meeting agenda. Chair Williams agreed, and also pointed out that all property classifications are based on use of the property, not the domicile of the owner, because some non-owner-occupied parcels are owned by local people. He added that he would be surprised if this practice were considered unconstitutional.

B. Visitor Accommodations — Policy Options for Management (Chair Williams, Vice-Chair O'Brien)

Vice-Chair O'Brien moved to formally designate the visitor accommodations investigation as a TIG, comprised of Chair Williams and Vice-Chair O'Brien. Commissioner Dust seconded the motion. The motion was approved unanimously (6-0), with one excused, one absent, and one vacancy.

C. Capital Improvement Project Budgets of Department of Water Supply and Department of Environmental Management (Chair Williams)

Chair Williams stated that he was inclined to end the investigation because he does not have the time to complete it before his Commission term ends in March 2023. Commissioner Dust stated that he reviewed the scope of the investigation and was interested in taking the investigation into a different direction. He would like to create a new TIG to examine capital project delivery and whether the County is doing the best job it can to be an efficient deliverer of capital projects. The investigation would not be limited to DWS or DEM, but would include all County departments that manage capital projects. Commissioner Dust stated that he would provide a draft scope and parameters at the next Commission meeting.

D. County Road Safety (Commissioners Dust and Heiskell)

Commissioner Heiskell moved to create a TIG to investigate County road safety, with Commissioners Dust and Heiskell as TIG members. Vice-Chair O'Brien seconded the motion. The motion was approved unanimously (6-0), with one excused, one absent, and one vacancy.

E. Access to Public Documents Filed in County Litigation (Chair Williams)

Chair Williams stated that the project is ongoing and that he is focusing on tax court appeals that the County is involved in on property valuation.

F. State-County Partnership to Provide Solar Energy Power to Wailuku-Kahului Wastewater Reclamation Facility (Chair Williams, Vice-Chair O'Brien)

Vice-Chair O'Brien moved to create a TIG to investigate the State-County partnership to provide solar energy power to the Wailuku-Kahului Wastewater Reclamation Facility, with Chair Williams and Vice-Chair O'Brien as members. Commissioner Heiskell seconded the motion. The motion was approved unanimously (6-0), with one excused, one absent, and one vacancy.

A proposed scope and parameters will be provided at the next meeting.

G. County of Maui Unfunded Liabilities (Commissioners Lau and Simmons)

Commissioner Dust moved to create a TIG to investigate County of Maui unfunded liabilities. Commissioner Heiskell seconded the motion. The motion was approved unanimously (6-0), with one excused, one absent, and one vacancy.

A proposed scope and parameters will be provided at the next meeting.

VIII. DISCUSS POTENTIAL TOPICS TO REVIEW AND POSSIBLE ESTABLISHMENT OF TEMPORARY INVESTIGATIVE GROUPS (TIGS)

There was no discussion of new topics.

IX. DETERMINE NEXT MEETING DATE AND AGENDA

The next Commission meeting is scheduled for December 8, 2022.

X. ADJOURNMENT

The meeting adjourned at 10:28 a.m.